



Date and Time: Wednesday, May 24, 2023 10:53:00AM PDT

Job Number: 197793420

Document (1)

1. [*Home to Freud, Austria Debates Carbon-Tax Therapy to Ease Climate Anxiety*](#)

Client/Matter: -None-

Search Terms: eco-anxiety

Search Type: Natural Language

Narrowed by:

Content Type
News

Narrowed by

Sources: National Post (f/k/a The Financial Post)(Canada);
Timeline: Jan 01, 2018 to May 23, 2023; All Content Types:
News; Geography by Document: North America;
Geography by Document: Canada

Home to Freud, Austria Debates Carbon-Tax Therapy to Ease Climate Anxiety

National Post (f/k/a The Financial Post) (Canada)

July 1, 2021 Thursday

Web Edition

Copyright 2021 National Post All Rights Reserved

Section: PMN BUSINESS

Length: 1323 words

Body

(Bloomberg) - When temperatures soar and Austrians start to get a little stir crazy, they dream of Alpine hills where scientists and philosophers like Sigmund Freud retreated to refresh mind and body. These days, ever-hotter summers are turning that discomfort into full-blown anxiety over climate change.

The record heatwaves ravaging large parts of the Northern Hemisphere are just the latest trigger. Average temperatures in Austria have surged almost 2 degrees Celsius over the last century, prompting many to ask if their country - a middling polluter that already has some of the most ambitious climate targets - needs to take more drastic action.

"At the end of the day, climate anxiety is primarily a fear about the future," said Paolo Raile, a psychotherapist at Sigmund Freud University who wrote a book about the rise in eco-anxiety that's led Austrians to seek medical attention. In addition to taking personal responsibility and joining like-minded groups, individuals can also derive hope from policies that address global warming, he said.

Born in Vienna, Raile moved his family to mountains in the Reichenau an der Rax region two years ago after an especially brutal pair of summer heat waves left hundreds dead across the country. Written in the same hills once frequented by Freud and Viktor Frankl, another psychoanalyst who examined humanity's search for meaning, Raile's work adds to rising debate about what the nation of 8.9 million people can do to stave off global warming.

Austria wants to become climate neutral by 2040, a decade earlier than most of the European Union, but doing so will require deep structural changes to the economy which go beyond installing more solar panels and windmills. Despite already generating some fourth-fifths of its electricity with renewable hydropower, the country's emissions have continued to rise over the last three decades because of industrial pollution and a love affair with cars.

That's led the coalition government, made up of the conservative People's Party and the environmentalist Green Party, to champion what officials call "eco-social-tax reform" that would be the centerpiece of Austria's climate policy. Leaders want to put a price on emissions and bake that cost into everything from road transportation to home heating. Essentially, citizens would be on the hook for every ton of planet-warming carbon dioxide they emit.

"We need new ways of thinking about our tax codes to make them fit for the future," Leonore Gewessler, minister for climate, energy and transportation, said in an interview. "We need a fair price for greenhouse gas pollution in the atmosphere, which makes climate-friendly behavior cheaper."

It's not a completely novel idea. Many countries have measures aimed at curbing carbon-intensive activities, the EU makes companies pay for their pollution, and the U.S. government factors a "social cost of carbon" of \$51 a ton into

Home to Freud, Austria Debates Carbon-Tax Therapy to Ease Climate Anxiety

its policy making. Austria estimates it faces 9 billion euros (\$10.7 billion) in European Union fines by 2030 if it doesn't begin dramatically lowering emissions, a good reason to pursue policies that make carbon more expensive.

READ MORE: [How Do You Put a Price on Climate Change?](#)

The nation is considering going further than others by directly taxing its citizens. The International Monetary Fund endorsed the idea in a June report, recommending a carbon price of 100 euros (\$119) a ton by 2030. The authors suggested that the money raised should be used to help low-income and vulnerable households cope and potentially finance income tax cuts. Gewessler, a member of the Green Party, is set to open negotiations on the issue before the end of this year with her People's Party counterpart, Finance Minister Gernot Blumel.

Fixing a government price on emissions will be key to transmitting the right signals to Austria's economy over the next decade, according to Armon Rezai, a climate-finance professor at Vienna University of Business and Economics who's advised the country's national bank. At present, individuals and small companies are mostly excluded from Europe's volatile carbon-offset markets.

Rezai points to research in tax salience, a sub-specialty of behavioral economics, that shows how well-planned levies can change consumption and production patterns. Data suggest clear public communication about when rates will rise, followed by decisive action are key to using tax policy as a lever to cut emissions.

"If you just gradually increase tax rates, then people generally don't care," said Rezai, citing research on how incremental tax increases on alcohol and tobacco only modestly dissuaded people from engaging in unhealthy habits. "It would make more sense to announce and implement a sharp carbon-tax in a prescribed time frame, while potentially removing other taxes on energy."

Opposition to taxing pollution emitted from internal-combustion engines is fierce among some in Austria, including a nationalist party that equates the license to burn fossil fuel with individual liberty. Almost a tenth of the country's jobs are linked to the automobile industry. Austria's Chamber of Commerce has called the government's tax plan an ideologically-driven fantasy and rallied skeptics among some of the country's biggest companies, including Voestalpine AG, OMV AG and Wienerberger AG, the world's largest brickmaker. "I have the fear this isn't going to be used to improve carbon footprints but to fix fiscal imbalances," said Wienerberger Chief Executive Officer Heimo Scheuch. "I don't want to see intervention from the state that consumers will feel."

To help blunt the impact of a carbon tax, the government has rolled out incentives to reduce carbon footprints. Hundreds of millions of euros are budgeted to help taxpayers switch to electric vehicles, install charging points and scrap fossil-fuel heating. In the second half of 2021, a landmark law will enable faster deployment of subsidized solar and wind installations, as well as the formation of energy communities to challenge the power of traditional utilities.

"Climate policy cannot be socially blind," said Gewessler, who's also committed to giving all Austrians unlimited public-transportation access across the whole country for 3 euros a day. "We have to keep that in mind when we design policy. With the money we give back to the people, we want to support the switch to climate-friendlier options, be it in mobility, public transportation or retrofitting homes."

The richest 10% of Austrians could be set to bear the brunt of the government's planned tax reform, according to Greenpeace researchers, who figure the wealthiest households emit twice the annual volume of greenhouse gases than an average home. Using a carbon tax to try to bridge growing economic inequality could also have wider benefits for the mental health of Austrians, according to Sigmund Freud University's Raile.

In a world where individual action to solve climate change often appear futile, Austrians are looking at carbon taxes to ensure their collective peace of mind. Concern for the climate is a persistent thread going back to the foundations of the theory of psychoanalysis expounded by Freud himself, says Raile, who offers [eco-anxiety](#) therapy from his perch in cooler mountain air.

Home to Freud, Austria Debates Carbon-Tax Therapy to Ease Climate Anxiety

"Men have gained control over the forces of nature to such an extent that with their help they would have no difficulty in exterminating one another to the last man," Freud wrote in *Civilization and Its Discontents*, published in 1930. "They know this, and hence comes a large part of their current unrest, their unhappiness and their mood of anxiety."

This article is part of Bloomberg Green's Carbon Benchmarks series, which analyzes how countries plan to reach net-zero emissions. Click here to get e-mail alerts when new stories are published.

©2021 Bloomberg L.P.

Bloomberg.com(<http://www.bloomberg.com>) !@COPYRIGHT=© 2021 Postmedia Network Inc. All rights reserved.

Classification

Language: ENGLISH

Publication-Type: Newspaper

Subject: CLIMATOLOGY (90%); EXTREME TEMPERATURES (90%); HEAT WAVES (90%); HUMANITIES & SOCIAL SCIENCE (90%); PSYCHOLOGY (90%); PSYCHOTHERAPY (90%); CARBON TAX (89%); CLIMATE ACTION (89%); EMISSIONS (89%); EUROPEAN UNION (89%); GLOBAL WARMING (89%); NEGATIVE ENVIRONMENTAL NEWS (89%); POLLUTION (89%); POLLUTION & ENVIRONMENTAL IMPACTS (89%); SCIENCE & TECHNOLOGY (89%); POLITICAL PARTIES (84%); CLIMATE CHANGE (79%); TYPES OF GOVERNMENT (79%); INTERVIEWS (78%); TAXES & TAXATION (78%); CLIMATE CHANGE REGULATION & POLICY (77%); ENVIRONMENT & NATURAL RESOURCES (77%); ENVIRONMENTAL REGULATION & POLICY (77%); GREENHOUSE GASES (77%); ENVIRONMENTALISM (75%); SEVERE SUMMER WEATHER (74%); TAX REFORM (74%); WRITERS (73%); GOVERNMENT & PUBLIC ADMINISTRATION (72%); INDUSTRIAL POLLUTION (70%); INDUSTRY & ENVIRONMENT (70%); POLITICS (66%); ENERGY DEPARTMENTS (62%); INTERNATIONAL ECONOMIC ORGANIZATIONS (62%); CONSERVATISM (61%); GOVERNMENT ADVISORS & MINISTERS (61%); temperatures,austrians,start,little,crazy,dream !@PERMALINK=<https://financialpost.com/pmn/business-pmn/home-to-freud-austria-debates-carbon-tax-therapy-to-ease-climate-anxiety> (%)

Industry: PSYCHOLOGY (90%); PSYCHOTHERAPY (90%); CARBON TAX (89%); EMISSIONS (89%); ENERGY & UTILITIES (89%); GLOBAL WARMING (89%); ALTERNATIVE & RENEWABLE ENERGY (75%); WRITERS (73%); HYDROELECTRIC POWER (67%); WIND ENERGY (67%); ENERGY DEPARTMENTS (62%); SOLAR ENERGY (62%)

Geographic: VIENNA, AUSTRIA (79%); AUSTRIA (94%); EUROPE (79%); UNITED STATES (79%); EUROPEAN UNION MEMBER STATES (73%)

Load-Date: July 1, 2021